



**CORRECTED  
FISCAL MEMORANDUM**

**HB 2048 - SB 2134**

March 7, 2022

**SUMMARY OF BILL AS AMENDED (014158):** Prohibits a health insurer whose health benefit plan provides coverage of complex rehabilitation technology (CRT) from considering the location where the technology will be used when deciding medical necessity. Requires a health insurer to offer a prior authorization process that reviews billable codes and provides coverage determinations for CRT. States that 100% of the CRT payment is subject to applicable copayment, coinsurance, or deductibles.

**FISCAL IMPACT OF BILL AS AMENDED:**

On March 7, 2022, a fiscal memorandum was issued for this bill. The fiscal memorandum is being corrected due to a reinterpretation of its provisions. The fiscal impact has been corrected as follows:

**(CORRECTED)**

**NOT SIGNIFICANT**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 51-5-159, CRT means items within Medicare as group 3, 4, or 5 power wheelchairs and manual wheelchairs with some options and accessories related to each.
- The Division of TennCare (Division) Managed Care Organizations (MCOs) have existing prior authorization processes for CRT based on billable codes, which the proposed legislation will have no impact on.
- If the legislation is interpreted to require MCOs pay only negotiated contractual rates, then the proposed legislation will have no fiscal impact to TennCare.
- The proposed legislation does not mandate that all insurance providers to cover CRT, but instead prohibits them from rescinding coverage of CRT after the authorization has been given. Therefore, there will be no fiscal impact to the Department of Commerce and Insurance.
- The State Group Insurance Program (SGIP) currently does not deny medical coverage of CRT based on the location of use.
- Benefits Administration (BA) will not experience an impact resulting from offering a covered person a prior authorization process that reviews billable codes and provides coverage determination for CRT.

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- Assuming the percentage paid by BA for CRT with respect to copayment does not change as a result of the proposed legislation, there will be no fiscal impact.

## **IMPACT TO COMMERCE OF BILL AS AMENDED:**

### **NOT SIGNIFICANT**

Assumptions for the bill as amended:

- Although the proposed legislation may create a higher demand for CRT, it is assumed that insurance companies will limit pre-authorizations to combat their inability to rescind.
- It is not assumed that this increase will lead to any significant increase in jobs.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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